University of Colorado Health
Quarterly bond compliance packet
For the quarter ending March 31, 2024

Note: Per GASB reporting requirements, all FY24 financial and operating data includes Parkview Health System (acquired on 12/1/23) on a full YTD basis for FY24. For reporting purposes, Parkview is included in the metrics for the South Region.
# Comparative Summary Statements of Income & Changes in Fund Balances

For the Period Ended March 31, 2024
(in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Quarter 3</th>
<th>Fiscal Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Obligated Group Total</td>
<td>System Consolidated</td>
</tr>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Patient Revenue</td>
<td>$ 2,050,464</td>
<td>$ 2,079,761</td>
</tr>
<tr>
<td>Grant Revenue</td>
<td>873</td>
<td>1,139</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>20,190</td>
<td>20,320</td>
</tr>
<tr>
<td><strong>Total Net Operating Revenue</strong></td>
<td>$ 2,071,527</td>
<td>$ 2,101,220</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages, Contract labor, &amp; benefits</td>
<td>$ 886,224</td>
<td>$ 897,070</td>
</tr>
<tr>
<td>Supplies</td>
<td>482,033</td>
<td>490,370</td>
</tr>
<tr>
<td>Purchased Services &amp; Other Expenses</td>
<td>380,598</td>
<td>394,937</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>114,808</td>
<td>118,137</td>
</tr>
<tr>
<td><strong>Total Operating Expense</strong></td>
<td>$ 1,863,663</td>
<td>$ 1,900,514</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>$ 207,864</td>
<td>$ 200,705</td>
</tr>
<tr>
<td><strong>Nonoperating revenue &amp; expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$ (7,037)</td>
<td>$ (7,356)</td>
</tr>
<tr>
<td>Investment Income</td>
<td>343,168</td>
<td>347,200</td>
</tr>
<tr>
<td>Other Non-Operating Revenue</td>
<td>(28,831)</td>
<td>(24,412)</td>
</tr>
<tr>
<td>Gain (Loss) Disposal Cap</td>
<td>5,258</td>
<td>5,255</td>
</tr>
<tr>
<td><strong>Total Nonoperating Income</strong></td>
<td>$ 312,558</td>
<td>$ 320,687</td>
</tr>
<tr>
<td>Income Before Contributions</td>
<td>$ 520,422</td>
<td>$ 521,392</td>
</tr>
<tr>
<td>Non-Recurring</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted contributions</td>
<td>101</td>
<td>8,860</td>
</tr>
<tr>
<td>Distribution of Net Assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Increase (Decrease) in Net Assets</strong></td>
<td>$ 520,523</td>
<td>$ 530,252</td>
</tr>
</tbody>
</table>
Unaudited Results
University of Colorado Health
Comparative Summary Statements of Income & Changes in Fund Balances

For the Period Ended March 31, 2023 (Prior Year)
(in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Quarter 3 Obligated</th>
<th>System Consolidated</th>
<th>Fiscal Year-to-Date Obligated</th>
<th>System Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group Total 2</td>
<td></td>
<td>Group Total 2</td>
<td></td>
</tr>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Patient Revenue 1</td>
<td>$1,683,331</td>
<td>$1,704,277</td>
<td>$4,961,048</td>
<td>$5,021,933</td>
</tr>
<tr>
<td>Grant Revenue</td>
<td>2,479</td>
<td>2,759</td>
<td>4,556</td>
<td>5,465</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>16,450</td>
<td>18,159</td>
<td>56,410</td>
<td>67,081</td>
</tr>
<tr>
<td>Total Net Operating Revenue</td>
<td>$1,702,260</td>
<td>$1,725,195</td>
<td>$5,022,013</td>
<td>$5,094,479</td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages, Contract labor, &amp; benefits</td>
<td>$781,561</td>
<td>$790,257</td>
<td>$2,306,966</td>
<td>$2,334,303</td>
</tr>
<tr>
<td>Supplies</td>
<td>418,750</td>
<td>425,569</td>
<td>1,237,018</td>
<td>1,256,918</td>
</tr>
<tr>
<td>Purchased Services &amp; Other Expenses</td>
<td>353,103</td>
<td>365,018</td>
<td>1,017,868</td>
<td>1,055,677</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>80,636</td>
<td>82,581</td>
<td>244,104</td>
<td>249,652</td>
</tr>
<tr>
<td>Total Operating Expense</td>
<td>$1,634,051</td>
<td>$1,663,425</td>
<td>$4,805,955</td>
<td>$4,896,550</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>$68,209</td>
<td>$61,770</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonoperating revenue &amp; expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$(6,466)</td>
<td>$(6,835)</td>
<td>$(22,870)</td>
<td>$(24,040)</td>
</tr>
<tr>
<td>Investment Income</td>
<td>246,647</td>
<td>250,011</td>
<td>349,701</td>
<td>353,907</td>
</tr>
<tr>
<td>Other Non-Operating Revenue</td>
<td>(2,643)</td>
<td>(8,140)</td>
<td>(20,158)</td>
<td>(26,028)</td>
</tr>
<tr>
<td>Gain (Loss) Disposal Cap</td>
<td>30</td>
<td>30</td>
<td>64</td>
<td>64</td>
</tr>
<tr>
<td>Total Nonoperating Income</td>
<td>$237,568</td>
<td>$235,065</td>
<td>$306,737</td>
<td>$303,904</td>
</tr>
<tr>
<td>Income Before Contributions</td>
<td>$305,777</td>
<td>$296,834</td>
<td>$522,795</td>
<td>$501,833</td>
</tr>
<tr>
<td>Non-Recurring</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted contributions</td>
<td>(38,738)</td>
<td>1,144</td>
<td>(38,636)</td>
<td>2,354</td>
</tr>
<tr>
<td>Distribution of Net Assets</td>
<td>(267)</td>
<td>(267)</td>
<td>(1,012)</td>
<td>(1,012)</td>
</tr>
<tr>
<td>Increase (Decrease) in Net Assets</td>
<td>$266,772</td>
<td>$297,711</td>
<td>$483,147</td>
<td>$503,175</td>
</tr>
</tbody>
</table>
### Comparative Balance Sheet

#### March 31, 2024

<table>
<thead>
<tr>
<th>Obligated Group</th>
<th>System Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 30, 2023</td>
<td>March 31, 2024</td>
</tr>
</tbody>
</table>

#### Current assets

- **Cash and cash equivalents**: $338,792
- **Patient accounts receivable, less allowances for uncollectible accounts**: $779,538
- **Other receivables**: $183,048
- **Inventories**: $148,600
- **Prepaid expenses**: $134,606
- **Investments designated for liquidity support**: $203,600

**Total current assets**: $1,788,184

#### Non-current assets

- **Restricted investments, bonds**: $1,539
- **Restricted investments, other**: $763
- **Restricted investments and donor pledges**: $14,971
- **Capital assets, net of accumulated depreciation and amortization**: $4,370,682
- **Long-term investments**: $3,037,445
- **Other assets**: $87,195
- **Deferred outflows of resources**: $163,053

**Total non-current assets**: $10,865,596

#### Current liabilities

- **Current portion of long-term debt**: $122,132
- **Accounts payable and accrued expenses**: $737,385
- **Accounts payable - construction**: $55,864
- **Accrued compensated absences**: $144,686
- **Accrued interest payable**: $9,215
- **Fair value of derivative instruments**: $192,477
- **Estimated third-party settlements**: $203,600

**Total current liabilities**: $1,465,359

#### Long-term liabilities

- **Long-term debt, less current portion**: $1,587,984
- **Fair value of derivative instruments, less current portion**: $311,377
- **Deferred inflows of resources**: $66,164

**Total long-term liabilities**: $1,965,525

**Total liabilities and fund balance (unrestricted funds)**: $12,653,779

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**March 31, 2023**

<table>
<thead>
<tr>
<th>Obligated Group</th>
<th>System Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 31, 2023</td>
<td>March 31, 2022</td>
</tr>
</tbody>
</table>

**Total liabilities and fund balance (unrestricted funds)**: $10,918,544
Unaudited Results
University of Colorado Health
Statement of Cash Flows
March 31, 2024
(in Thousands)

<table>
<thead>
<tr>
<th>Quarter 3</th>
<th>Fiscal Year-to-Date</th>
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</tbody>
</table>

**Cash flows from operating activities**

- Cash received from patients and third-party payors: $2,057,098 $5,941,318
- Cash payments to suppliers for goods and services: (940,881) (2,728,864)
- Cash payments to employees/other on behalf of employees: (823,501) (2,526,372)
- Other cash payments: (4,490) (25,999)
- Other cash received: 21,370 64,751

Net cash provided by operating activities: 309,596 724,834

**Cash flows from capital and related financing activities**

- Proceeds from long-term debt: -
- Principal payments under lease and right to use obligations: (18,929) (75,133)
- Principal repayments of long-term debt: (70) (97,487)
- Payments of interest and issuance costs on long-term debt: (7,152) (32,328)
- Capital expenditures: (119,869) (371,785)
- Cash acquired from component unit: - 24,805
- Receipt of contributions: 8,860 12,946
- (Distributions to) contributions from minority interest in component unit: 102 (46,524)
- Proceeds from sale of capital assets: 376 1,394

Net cash used in capital and related financing activities: (136,682) (584,112)

**Cash flows from noncapital financing activities**

- Receipt of grant revenue: -

Net cash provided by noncapital financing activities: -

**Cash flows from Investing activities**

- Investment income: 79,987 264,830
- Distributions received from joint ventures: 1,967 6,766
- Loans repaid by third parties: 344 1,129
- Proceeds from sale and maturities of investments: 2,006,327 4,239,187
- Purchases of investments: (2,177,442) (4,495,451)

Net cash used in investing activities: (88,817) 16,461

Net increase (decrease) in cash and cash equivalents: 84,097 157,183

Cash and cash equivalents at beginning of period: $266,106 $193,020

Cash and cash equivalents at end of period: $350,203 $350,203

Reconciliation of operating income to net cash provided by operating activities:

**Operating income**

- Operating income: $200,605 $385,610

Adjustments to reconcile operating income to net cash provided by operating activities:

- Depreciation and amortization: 118,135 348,334
- Provision for bad debts: (4,164) 231,126
- Decrease (increase) in patient accounts receivable: (16,555) (327,245)
- Increase (decrease) in estimated third-party settlements: (1,943) 24,805
- Decrease (increase) in other receivables and receivables from related parties: 2,459 3,606
- Decrease (increase) in inventories: (2,748) (14,369)
- Change in net pension assets/liabilities: 2,453 14,676
- Decrease (increase) in prepaid expenses: (5,011) (28,192)
- Decrease (increase) in other assets: 1,583 8,946
- Increase (decrease) in accounts payable and accrued expenses: 38,774 100,511
- Increase (decrease) in accrued compensated absences and other: 1,473 13,864
- Equity income from joint ventures: (493) 1,963
- Acquired assets and liabilities from component unit: 2 9,094
- Adjustments to other cash receipts/payments: (24,974) (47,967)

Total adjustments: 108,991 339,224

Net cash provided by operating activities: $309,596 $724,834

Non-cash transactions:

- Donated pharmaceuticals: $2,424 $6,487
- Construction in progress accrued: $55,864 $55,864
- Non-cash capital purchase: -
- Unrealized gain (loss): $211,041 $403,544
- Refunding of debt: -
- Unrealized gain (loss) on derivative instruments: $11,445 $10,872
- Leases executed/cancelled: $17,368 $133,791
In March 2020, the GASB issued Statement No. 94, Public‐Private and Public‐Public Partnerships and Availability Payment Arrangements, which improves accounting and financial reporting for arrangements where a governmental entity contracts with an operator to provide public services by conveying control of the right to operate or use nonfinancial assets, such as infrastructure or other capital assets, for a period of time in an exchange or exchange‐like transaction. It establishes the definitions of public‐private and public‐public partnerships (PPP's) and availability payment arrangements (APA's) and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. It requires governments to report assets and liabilities related to PPP's consistently and disclose important information about PPP transactions. The provisions of this statement are effective for UCHealth's financial statements for the year ending June 30, 2023. This adoption impacts the Statement of Income & Changes in Fund Balances, Balance Sheet, and Statement of Cash Flows, but not the Financial Covenant Calculations.

-- In May 2020, the GASB issued Statement No. 96, Subscription‐Based Information Technology Arrangements (SBITAs), which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right‐to‐use subscription asset for SBITAs. The provisions of this statement are effective for the Health System’s financial statements for the year ending June 30, 2023. This adoption impacts the Statement of Income & Changes in Fund Balances, Balance Sheet, and Statement of Cash Flows, but not the Financial Covenant Calculations.

Parkview Health System (acquired on 12/1/23) - included on a YTD basis for FY24, as part of South Region